



June 22, 2018
Federal Reserve Bank of Richmond
502 S. Sharp St, Baltimore, MD 21201
9:00am-11:00am

Cabinet Members:

R. Michael Gill, Secretary, Department of Commerce, Chair
Ken Holt, Secretary, Maryland Department of Housing and Community Development (DHCD)
Kelly Schulz, Secretary, Department of Labor, Licensing and Regulation (DLLR)
Jimmy Rhee, Special Secretary, Governor's Office of Small, Minority, & Women Business Affairs (GOSBA)
Horacio Tablada for Ben Grumbles, Secretary, Department of Environment (MDE)
Mark Crampton, Assistant Secretary, Department of Transportation (MDOT) for Secretary Pete Rahn
Robert McCord, Acting Secretary, Department of Planning

Guests:

Jim Fielder, Secretary, Maryland Higher Education Commission (MHEC)
Michael Higgs, Director of Assessments and Taxation (SDAT)
Wendi Peters, Special Secretary, Office of Smart Growth
Ben Wu, Deputy Secretary/COO, Department of Commerce
Mike Morello, Governor's Office of Performance Improvement (GOPI)
Kenrick "Rick" Gordon, Governor's Office of Rural Broadband
Dave Beck, Federal Reserve Bank of Richmond
Ray Owens, Federal Reserve Bank of Richmond
Samuel Storey, Federal Reserve Bank of Richmond
Ray Caldwell, Federal Reserve Bank of Richmond
Corbett Webb, SDAT
Chantal Kai-Lewis, GOSBA
Michael White, DHCD
Linda Gilmore, DLLR
Brady Walker, Department of Commerce
Steve Pennington, Department of Commerce
Julie Woepke, Department of Commerce
Kris Shock, Department of Commerce
Emma Girod, Department of Commerce

I. Call to Order

Secretary Gill called the meeting to order and welcomed members and guests. He thanked Dave Beck of the Federal Reserve Bank of Richmond for graciously hosting the meeting.

II. Welcome and Federal Reserve Bank of Richmond Economic Snapshot

Dave Beck, Senior Vice President and Baltimore Regional Executive, welcomed the Cabinet and attendees and provided a brief overview of the bank functions, flow of funds through the bank, and the impact of electronic payments on the banking industry. Mr. Beck introduced Ray Owens, Federal Senior Economist, who reviewed Maryland Economic Indicators. When reviewing historical indicators, he explained that Maryland had not experienced as severe negative job loss during the recession of 2008 and therefore did not have as far to gain in jobs as others states who experienced more significant job losses. He cited that Maryland has a job skill mismatch and land restrictions through zoning and regulations have stymied new building. Overall, he said Maryland is strong in many industry sectors and appears resilient while cautioning the number of Federal jobs. He then answered questions of the Cabinet. (Presentation on file.)

III. Review and approval of April 11, 2018 Minutes

Upon motion duly made and seconded, the minutes of the April 11, 2018 meeting were approved.

IV. Chair Update

Secretary Mike Gill discussed the importance of the Cabinet interagency support and communication, staying focused and living up to your potential. He then showed the latest Open for Business marketing campaign video. He gave a brief update on the campaign emphasizing the new ad placements out of state.

V. Opportunity Zones

Secretary Ken Holt updated the Cabinet on the newly created 149 Federal Opportunity Zones, outlining the benefit of the zones in the deferral of capital gains to encourage investment. To educate stakeholders and promote the zones, a conference is being planned for July 31st in College Park in collaboration with the Department of Commerce. The focus of the Conference will be to stimulate interest and investment in the zones by investors, developers – residential and commercial, tax attorneys, accountants, etc... Speakers will include representatives from Economic Innovation Group – the firm that assisted in the development of the program at the Federal level, accounting and tax advisors, and State Agencies who will highlight projects located in the zones. As the Federal Regulations have not been issued, it is anticipated that exchange of information will be valuable for public and private parties. Secretary Holt then introduced Kenrick “Rick” Gordon, the Governor’s new Director of Rural Broadband which is located within DHCD.

VI. Office of Rural Broadband

Mr. Rick Gordon provided his background citing his last position was with the United States Department of Agriculture in the area of rural broadband. He expressed his familiarity with the state and broadband challenges and looks forward to identifying creative solutions to address broadband in rural areas.

VII. Reinvest Maryland 2.0

Special Secretary Wendi Peters reviewed the recently released Reinvest Maryland 2.0, a program that provides resources for all levels of government to encourage and strengthen collaborative efforts to support revitalization and reinvestment. She then demonstrated the website highlighting case studies, tools, and best practices. Discussion occurred with the Cabinet members regarding the website and the inclusion a various state programs and overlay zones.

VIII. Senate Bill 414 Coordination of Small Business Resources

Special Secretary Jimmy Rhee addressed the Cabinet and introduced Chantal Kai-Lewis, GOSBA's Legal and Policy Advisor. Ms. Kai-Lewis reported that GOSBA, who will be collecting information on small business programs and resources in a report due to the General Assembly by December 2018. GOSBA will be requesting an extension to the deadline due to the vacancy of a Legislative Director staffed to prepare the report. Cabinet Secretaries agreed to submit resources and Agency contacts to GOSBA to provide assistance and SDAT indicated that many of the required information is available on the new revamped Maryland Express website.

IX. Cabinet Workgroups

a. Customer Service

Mr. Greg Derwart, Managing Director, Administration and Customer Experience, Department of Commerce and Mike Morello, Director, Governor's Office of Performance Improvement presented an update on the Governor's Customer Service Initiative. It was reported that in addition to the bi-annual meetings, a special meeting of the liaisons will be held in July. The process of journey mapping in the eye of the customer will begin to identify process improvements. With respect to the customer satisfaction surveys, 30,000 have been submitted since January, 2018 resulting in an overall satisfaction rating of 80% across all state agencies. Mr. Derwart reported that positive feedback has been given from state employees on the Governor Citations awarded during the traveling Governor's Cabinet meetings. Mr. Morello referenced the customer service portal and concluded with a reminder to complete the Performance Enhancement Program (PEP) Reviews. (Presentation on file.)

b. Workforce

Ms. Linda Gilmore, Manager, Office of Workforce Development, DLLR and Ms. Kris Shock, Senior Director, Strategic Industries and Entrepreneurship, Department of Commerce provided an update on the Workforce Development Taskforce (WDT). The WDT worked diligently over several months to gather resources, review websites and best practices and are

recommending a website portal to enhance the ability to access talent; provide for right-skilled talent; and understand and appreciate the workforce ecosystem. The new portal named Maryland Workforce Expressway will be complimentary and co-located with the new Maryland Business Express website. Interested parties – businesses, job seekers, and others would enter this portal and be directed to the appropriate programs and resources in a coordinated manner.

Ms. Gilmore reported that the portal would be a virtual Expressway to workforce development and training, include frequently asked questions, and will be marketed with a brand/logo. The portal will be designed to reflect Maryland Business Express and Open.Maryland.gov websites and interactivity with users is being considered including artificial intelligence. She added that the Expressway will be shared resources and widely promoted. She concluded by stating the Expressway will elevate Maryland's competitiveness and high level of customer service.

Ms. Gilmore and Ms. Shock took questions and comments from the Cabinet members. Overall, the Cabinet expressed appreciation and support for the WDT recommendations. (Presentation on file.)

c. Job Creators

Ben Wu, Deputy Secretary/COO, Department of Commerce gave a brief update on the top five job creators: 1) Federal Bureau of Investigation (FBI) – project is at a standstill on the Federal level; 2) Tradeport Atlantic (TPA) – the final 150 acres has been purchased by the TPA developers which is the last parcel on the water, FedEx distribution is operating and Amazon is projected to be operational at the end of 2018, and a 750,000 square foot distribution facility is pending; 3) Port Covington - Owners continue to refine plans and will be offering temporary uses such as festivals and concerts on the property ; 4) Amazon HQ2 – a decision is expected by the end of the year; and 5) Project C.O.R.E. - Secretary Holt reported on the strong momentum from the private sector and the extension of the program for an additional four (4) years. Secretary Holt noted a unique partnership with Humanim to hire ex-offenders in the demolition process.

Discussion occurred among the Secretaries regarding the Job Creators list, map, and project timelines. There was a consensus to revisit this workgroup and product.

X. Business Development Activity

Mr. Steve Pennington, Managing Director, Business and Industry Sector Development, Department of Commerce updated the Cabinet on the recent project wins, pending announcements, and notable new projects. (Presentation on file.)

XI. Adjournment

There being no further discussion and upon motion duly made and seconded, the meeting was adjourned at 11:10 am by Secretary Gill.